

OUTCOMES STATEMENT OVERVIEW

Outcome Budgeting

Outcome Budgeting puts the needs of people and businesses at the centre of strategic planning and investment decision-making across New South Wales. It is an approach to decision-making that recognises that allocation of public resources should be based on the outcomes achieved, not the amount spent.

It improves the oversight of total expenditure, and ensures there is a sustained focus on:

- ✓ The outcomes and service levels to be achieved by total expenditure
- ✓ Evidence on the effectiveness of programs to deliver these outcomes
- ✓ Transparency on the performance of total expenditure in achieving the outcomes
- ✓ Continuous improvement in how services are delivered and outcomes achieved.

The 2021-22 Budget illustrates the Government's continued focus on performance and delivery of outcomes for the people and businesses of New South Wales. It represents the integrated outcomes-focused approach to performance monitoring, budgeting and planning taken in New South Wales.

Outcome Budgeting continues to provide the Government with greater ability to monitor the performance of its total budget and scrutinise and prioritise the use of every dollar.

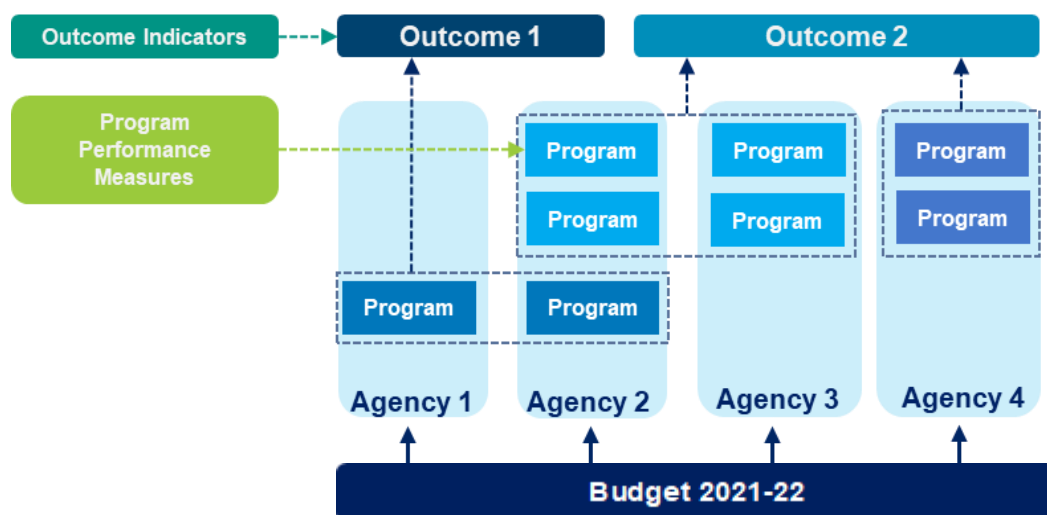
The performance and delivery of State Outcomes are monitored throughout the year and used to identify and inform priority areas for investment for 2021-22 and future years.

Cluster Outcomes and Business Plans support ongoing management across the suite of State Outcomes. These Plans are reviewed on a quarterly basis and updated annually to inform Government's ongoing strategic allocation of public resources and Budget decision-making processes.

The Outcome and Performance Framework

The *outcome and performance framework* provides a common approach that links total government expenditure to activities and the outcomes being achieved.

Figure 1: The outcome and performance framework



The key components of the framework are as follows:

- **State Outcomes** which articulate the primary purpose for which public resources are being invested to deliver goods and services in line with the goals and priorities that Government is seeking to achieve for its citizens and businesses across all of its activities
- each State Outcome has a set of agreed **Outcome Indicators** that measure progress in achieving these outcomes, with endorsed Outcome Indicator targets that set the desired level of performance
- delivery of each State Outcome is supported by **Programs** that are a collection of Government activities, tasks, divisions or functions to deliver specific objectives towards the State Outcome
- **Program Performance Measures** which measure performance of each Program and are used to assess efficiency, effectiveness and equity in delivering objectives.

The framework enables ongoing performance monitoring and assessment to ensure all resources are well managed and targeted to deliver State Outcomes efficiently and effectively. It ensures that the entire budget works hard towards delivering outcomes.

Box 1.1: Using Outcome Budgeting to Drive Improved Indigenous outcomes

- The Outcome Budgeting framework is driving improved outcomes for NSW Aboriginal and Torres Strait Islander communities in line with our commitment to Closing the Gap, which includes 17 socio-economic Targets and five Priority Reforms. This will transform the relationship between the government and Indigenous peoples and improve the wellbeing of Indigenous communities. In line with this commitment, all Clusters are working to further embed Indigenous-related measures as outcome indicators and program performance measures against State Outcomes.
- This focus across the NSW Government better aligns and coordinates efforts by individual Clusters to improve outcomes for Indigenous peoples and communities, for example, through education, employment and infrastructure:
 - the NSW Government is renewing its efforts to deliver positive educational outcomes for Aboriginal students by working with the NSW Coalition of Aboriginal Peak Organisations (NSW CAPO) and government agencies to co-design and pilot a number of key initiatives. These include Aboriginal Learning and Engagement Centres and Pirru Thangkuray cultural engagement and mentoring - focused on increasing student engagement, attendance, Year 12 attainment and cultural education for educators. Increasing Year 12 attainment for Aboriginal students is a Premier's Priority, a Closing the Gap target and a key indicator contributing to the "Educational foundations for success" State Outcome
 - the Aboriginal Procurement Policy (APP) sets targets for all NSW Government Clusters to direct 1 per cent total addressable spend and 3 per cent total goods and services contracts to Aboriginal businesses. Delivering the APP supports 3,000 full time equivalent employment opportunities for Indigenous peoples, contributing to the "Empowering Aboriginal communities" State Outcome, closing the gap in employment outcomes and supporting Indigenous economic prosperity
 - the Planning, Industry and Environment Cluster's Roads to Home program is providing upgraded roads and services to discrete Aboriginal communities across New South Wales. Roads to Home supports the self-determination of Aboriginal communities by issuing grant funding to Local Aboriginal Land Councils to support communities to make key decisions about how upgrades are delivered. The program supports the performance of the "Maximise community benefit from government land and property" State Outcome and aligns with Closing the Gap targets around access to land and housing.

The State Outcomes and Cluster arrangements

There are 37 agreed State Outcomes across nine Clusters. The State Outcomes cover the totality of all government activity and the Premier's 14 Priorities are embedded within this framework (each Priority metric is included as an Outcome Indicator under the relevant State Outcome).

Clusters are groups of entities with shared or related policy goals. The Cluster arrangement aims to improve government services and outcomes for the community by:

- pursuing common objectives across agencies
- better integrating services
- helping to allocate resources between areas.

A Cluster is not a legal or reporting entity.

Changes to Cluster arrangements

Since the 2021-22 Budget the following statutory bodies, non-public financial corporations and public financial corporations have transferred Clusters.

Entity	Cluster From	Cluster To
Western Parkland City Authority	Treasury	Premier and Cabinet
Destination NSW	Treasury	Premier and Cabinet

Details on machinery of government changes at the agency level, including information on Administrative Arrangements Orders, can be found in Budget Paper 4: *Agency Financial Statements*.

Figure 2: The Government Clusters and the 37 State Outcomes

<p>Customer Service</p>	<p>Education</p>	<p>Health</p>
<p>Plans, prioritises, funds and drives digital transformation and customer service across every Cluster in the NSW Government.</p>	<p>Drives early childhood, primary, secondary and all education and care sector, government and non-government schools, and the vocational education and training sector.</p>	<p>Focuses on its priorities of providing quality healthcare and continuing with its unprecedented hospital expansion and renewal of capital works.</p>
<p>State Outcomes</p>	<p>State Outcomes</p>	<p>State Outcomes</p>
<p>Excellence in Customer Service</p>	<p>Best start in life for young children</p>	<p>People receive high-quality, safe care in our hospitals</p>
<p>Digital leadership and innovation in government services</p>	<p>Educational foundations for success</p>	<p>People can access care in out of hospital settings to manage their health and wellbeing</p>
<p>Fair, secure and efficient markets</p>	<p>Skilled and employable workforce</p>	<p>People receive timely emergency care</p>
	<p>High-quality standards for schooling</p>	<p>Keeping people healthy through prevention and health promotion</p>
		<p>Our people and systems are continuously improving to deliver the best health outcomes and experiences</p>
<p>Planning, Industry and Environment</p>	<p>Premier and Cabinet</p>	<p>Regional NSW</p>
<p>Responsible for the stewardship of the NSW Government’s natural and built assets.</p>	<p>Works for the people of NSW by supporting the Premier and the Cabinet to deliver on the NSW Government’s objectives.</p>	<p>Builds strong, cohesive communities and economies, grows primary industries, creates jobs and employment, and stewards the use of our natural endowments.</p>
<p>State Outcomes</p>	<p>State Outcomes</p>	<p>State Outcomes</p>
<p>Connecting communities to resilient and sustainable energy and local environments</p>	<p>Effective and coordinated government</p>	<p>Productive and sustainable land use</p>
<p>Create a strong and liveable NSW</p>	<p>Excellence in arts, culture and heritage</p>	<p>Stronger primary industries</p>
<p>Maximise community benefit from Government land and property</p>	<p>Empowering Aboriginal communities</p>	<p>Mineral and petroleum industries generating prosperity, safely</p>
<p>Sustainable, secure and healthy water resources and services</p>	<p>Accountable and responsible government</p>	<p>Stronger and cohesive regional communities and economies</p>

Stronger Communities

Delivers community services that support a safe and just New South Wales.

State Outcomes

Active and inclusive communities

Children and families thrive

Efficient and effective legal system

People have a safe and affordable place to live

Prepared for disasters and emergencies

Reduce reoffending

Safer communities

Transport

Plans and delivers infrastructure and integrated services across all modes of transport, including road, rail, metro, bus, ferry, light rail, cycling and walking.

State Outcomes

Connecting our customers' whole lives

Successful places for communities

Sustainable Transport systems and solutions that enable economic activity

Treasury

Supports a strong fiscal operating position and balance sheet and leads the promotion of a strong and sustainable economic and financial position.

State Outcomes

A strong, resilient and diverse economy

A sustainable fiscal environment enabling delivery of outcomes

Stewardship of the public sector performance and financial system

Delivery of State Outcomes

Since the 2020-21 Budget, Clusters continue to report a high level of delivery against the 37 State Outcomes relative to the significant ongoing challenges to service demand and service delivery as a result of recent natural disasters and the current pandemic.

These challenges, including drought, bushfires, floods and the ongoing COVID-19 response, have had far-reaching impacts across the suite of State Outcomes and have required continuous management and resources to address them.

While performance has been impacted for several State Outcomes as a result of these challenges, there have also been significant opportunities to implement innovation and reform. These have been demonstrated through a step change in service delivery across the public sector including implementation of digital innovation in areas such as customer service, health and transport.

Box 1.2: Using Outcome Budgeting to shape and monitor the Government's COVID-19 response and recovery

- Outcome Budgeting continues to be a critical tool in supporting the Government's economic and fiscal recovery. It has been used to inform priority areas to direct support as part of the Government's COVID-19 response and recovery measures and has also been an important lens used to assess the effectiveness of these measures.
- For example, in the Stronger Communities and Education Clusters:
 - the Digital Court Reform program, designed to increase productivity in the NSW legal system through the digitisation of services, supports the performance of key indicators of the 'efficient and effective legal system' State Outcome
 - additional support to frontline domestic and family violence services to further support victims, reduce reoffending and help meet increases in demand due to the COVID-19 pandemic, targets improvements in the performance of the 'children and families thrive' State Outcome
 - remote learning in the school system through 2020 impacted learning outcomes for some students. Investment in a catch-up tutoring program delivered through the NSW school system is helping students bridge the gap in their education caused by COVID-19, supporting the 'educational foundations for success' State Outcome.

About this budget paper

Purpose and scope

Budget Paper No. 2 *Outcomes Statement* supports transparency and accountability by reporting how resources have been allocated across Clusters and State Outcomes, and how New South Wales is performing against the delivery of these State Outcomes. Further details on the scope and purpose of this Budget paper is outlined in *How to Read the Budget Papers*.

Agency financial statements and agency expense summaries can be found in Budget Paper No. 4 *Agency Financial Statements*.

Capital profiles may differ between Budget Paper No. 2 *Outcomes Statement* and Budget Paper No 3. *Infrastructure Statement* due to differences in time periods described.

Structure

This Budget paper includes an Outcome Statement related to the State Outcomes for each of the nine Clusters, as well as a separate chapter for the Legislature covering its strategic priorities and objectives.

Cluster Introduction

Section	Description
Introduction	This describes the role, main activities and responsibilities of the Cluster.
2021-22 Investment	This graphic depicts the amount of recurrent expenses and capital expenditure for the Cluster.
State Outcomes to be delivered by the Cluster	A short description of the State Outcomes the Cluster is working towards and the key programs underway to support delivery of these Outcomes.

Overview of Cluster expenses by State Outcome

This section graphically presents the amount and percentage of recurrent expenses and capital expenditure across each of the State Outcomes delivered by the Cluster.

Cluster State Outcome Statements

Section	Description
State Outcome Overview	A description of the State Outcome.
2021-22 Investment	This graphic depicts the amount of recurrent expenses and capital expenditure for the Outcome.
2021-22 State Outcome Budget highlights	Description of the significant new and ongoing initiatives under the Outcome.
Key performance insights	A short description and chart providing analysis and insights on performance of selected Outcome Indicators for the Outcome.
Performance indicators for this Outcome	Information on the performance of Outcome Indicators for the Outcome.

Additional performance information on Clusters and agencies continues to be reported across a range of other sources such as agency websites, annual reports and the Productivity Commission's *Report on Government Services*.